



**Office of Management and Budget
Statewide Benefits Unit**

**Frequently Asked Questions
ABOUT
Creditable Coverage and Medicare Part D:
What do they mean to you?**

1. What is creditable coverage and how does it affect me?

Creditable coverage means that *your prescription drug coverage through the State of Delaware Group Health Insurance Program is, on average, at least as good as that which you would get under a standard Medicare Part D plan.*

2. Why should I stay with the State of Delaware's plan instead of joining a Part D plan?

The plan you have now is considered, on average, at least as good as that offered by Medicare Part D. Plus, *you don't have to do anything to continue getting your prescriptions covered by your current plan.* Because you are already enrolled, there is no enrollment process, you won't have to deal with a new network of pharmacies and there are no new procedures to learn. Just keep using the coverage you have with the State of Delaware.

3. What do I need to do to get creditable coverage?

Nothing. You already have creditable coverage, so all you need to do is continue using your prescription drug plan as you do now. Just be sure to keep your notice of creditable coverage in a safe place.

4. Why should I keep my notice of creditable coverage?

If, in the future after May 15, 2006, you decide to join a Medicare Part D plan, that notice will let the plan know that you are not required to pay a late enrollment penalty, which could result in a higher premium.

If you have lost your notice of creditable coverage, please call the Statewide Benefits Office at (302) 739-8331 or the Pension Office at (302) 739-4208 or 800-722-7300 for a copy.

5. Since my plan with the State of Delaware provides creditable coverage, does that mean that it's a part of Medicare?

No. The plan you have now provides coverage that is, on average, at least as good as that offered by Medicare Part D, but it is not a part of Medicare.

6. How does Medicare Part D work and how does it affect my coverage now?

Medicare Part D is a government-funded prescription drug plan, unlike your current plan, which is managed by a company. Medicare Part D works just like any prescription drug plan: you pay a monthly premium and a portion of your prescription drug costs.

If you are satisfied with your prescription drug plan through the State of Delaware, *Medicare Part D does not affect you or your drug coverage*. All you have to do is stay with your current drug plan and continue to use the coverage you have through the State of Delaware.

However, if you consider enrolling in one of the many Medicare Part D plans that will be available, you should do so between November 15, 2005 and May 15, 2006. If you enroll in one of the Medicare Part D plans before December 15, 2005, your coverage will begin on January 1, 2006. If you enroll in a Part D plan between December 15, 2005 and May 15, 2006, your coverage will begin the month after you enroll. Once you are covered by Medicare Part D, you will not be covered by the prescription plan through the State of Delaware Group Health Insurance Program.

7. I want to be sure I'm completely covered. Can I keep my coverage with the State of Delaware and join a Part D plan?

No, if you enroll in a Medicare Part D plan, you will not be covered through the State of Delaware for prescription coverage.

8. I already get some prescription drugs through Medicare Part A and/or B. Do I still qualify for Medicare Part D?

Yes, you still qualify for Medicare Part D, even if you already have Medicare Part A and/or Medicare Part B. Medicare Part A is hospital insurance while Medicare Part B is medical insurance for health care costs like doctor's services and outpatient care. Although you may get *some* prescription drugs while you are at the hospital or at your doctor's office, only Medicare Part D provides prescription drug coverage.

But remember: *your coverage with the State of Delaware is, on average, at least as good as Medicare's Part D coverage*. All you need to do is stay with your coverage through the State of Delaware.

9. What if I drop my creditable coverage but don't enroll in a Medicare Part D plan?

If you drop your coverage but do not enroll in a prescription drug plan approved by Medicare, you will have to pay the full cost of your prescription drugs. You may also have to pay more for Medicare prescription drug coverage later. If after May 15, 2006, you go for 63 days or longer without coverage that is, on average, at least as good as Medicare's prescription drug coverage, *your monthly premium under a Medicare plan will increase at least 1% for each month that you did not have coverage after May 15, 2006. This increase will be effective for as long as you have Medicare prescription coverage*.

For example, if you do not have coverage for 19 months before enrolling in Medicare prescription drug coverage, your premium with a Medicare plan will always be 19% higher than what you would have paid if you had enrolled before May 15, 2006. *Also, you may have to wait until the next November 15 to enroll*.

10. Can I join a Part D plan later if I want to?

Yes. Starting January 1, 2006, you will be able to enroll in a Medicare prescription drug plan every year from November 15 to December 31. *If you decide you want to enroll in a Medicare Part D prescription drug plan after December 31, be sure you are covered under your current plan until your Medicare Part D coverage becomes effective.* If you decide to enroll in a Medicare prescription drug plan without having creditable coverage with another plan, like the coverage you have now with the State of Delaware, you may have to pay a late enrollment penalty, which could result in a higher premium, as described above.

11. If I join a Part D plan, but don't like it, can I come back to this plan provided by the State of Delaware?

If you're considering enrolling in a Medicare Part D prescription drug plan, check with the State of Delaware before you enroll. If you enroll in a Medicare Part D plan and drop your creditable coverage, you may not be able to return to the State of Delaware's plan at the same rates.

It is important that you compare your current plan, including which drugs are covered, with the coverage and costs of Medicare Part D plans in your area.

12. Does Medicare provide assistance for people living on a limited income?

Yes. For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. For more information about this extra help, visit the Social Security Administration Web site at www.socialsecurity.gov or call them at 1-800-772-1213. TTY users should call 1-800-325-0778. If you received assistance and enroll in Medicare Part d, you will not be covered by the prescription plan through the State of Delaware Group Health Insurance Program.

13. Where can I get more information on Medicare Part D?

You will receive of a copy of the handbook "Medicare & You 2006" from Medicare. This book contains more detailed information about Medicare plans that offer prescription drug coverage and will be available October 2005.

If you would like more information now, you can find it by:

- Visiting www.medicare.gov.
- Calling your State Health Insurance Assistance Program (see your copy of the "Medicare & You" handbook for their telephone number).
- Calling 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

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